

FCC MAIL SECTION

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

SEP 26 1994

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IN REPLY REFER TO:
CN-9404391

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The Honorable Mark O. Hatfield
United States Senate
Special Districts Center
727 Center Street N.E., Suite 305
Salem, OR 97301

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OCT 15 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Dear Senator Hatfield:

This is in response to your inquiry on behalf of a constituent, Ms. LeeEllen Brown, General Manager of CASCO Communications. Ms. Brown is concerned that DirecTV, operator of a direct broadcast satellite (DBS) facility, cannot obtain rights to Time Warner and Viacom programming, because such programming is subject to exclusive distribution rights of another DBS distributor, United States Satellite Broadcasting, Inc.

Ms. Brown also expresses her support for the position of the National Rural Telecommunications Cooperative concerning the Commission's interpretation of Section 19 of the 1992 Cable Act. NRTC has requested that the Commission reexamine the legality of exclusive contracts between vertically integrated cable programmers and DBS providers in areas unserved by cable operators. NRTC has asked that the Commission determine that such contracts are prohibited.

NRTC's petition for reconsideration of the Commission program access rulemaking proceeding is currently pending. As such, any discussion by Commission personnel concerning this issue outside the context of the rulemaking would be inappropriate. However, you may be assured that the Commission will take into account each of the arguments raised by NRTC and the other parties to the rulemaking concerning this issue to arrive at a reasonable decision on reconsideration.

I trust this information is responsive to your inquiry.

Sincerely,

Meredith J. Jones

Meredith J. Jones
Chief, Cable Services Bureau

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United States Senate

WASHINGTON, DC 20510-3701

August 30, 1994

MARK O. HATFIELD
ONE WORLD TRADE CENTER
121 S.W. SALMON STREET, SUITE 1420
PORTLAND, OR 97204

Ms. Judith L. Harris
Director of Legislative Affairs
Federal Communications Commission
1919 M Street N.W., Room 808
Washington, D.C. 20554

Dear Ms. Harris:

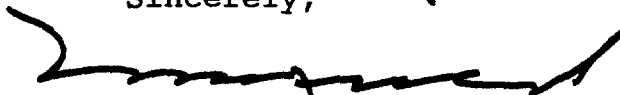
Enclosed is a copy of a letter I recently received from LeeEllen Brown regarding her concern with the enforcement of Section 19 of the 1992 Cable Act.

So that I may provide my constituent with a complete report about this matter, I would appreciate your full review and consideration of this letter. Please forward your reply to me in care of my Portland Office at the address above.

Thank you for your attention to this request.

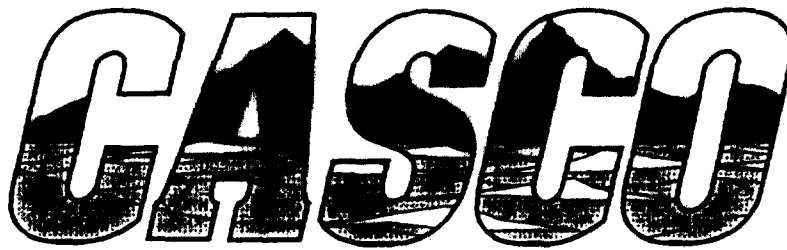
Kindest regards.

Sincerely,



Mark O. Hatfield
United States Senator

MOH:trh



CASCO COMMUNICATIONS
PO Box 655 Philomath OR 97370 929-4000

Blachly-Lane County
Cooperative Electric
Association
90680 Highway 99
Eugene, OR 97402
688-8711

Consumers Power
Inc.
6990 SW West Hills
Road
PO Box 1180
Philomath, OR 97370
929-3124 or
1-800-872-9036

Pioneer Telephone
Cooperative
1304 Main Street
PO Box 631
Philomath, OR 97370
929-3135

July 25, 1994

The Honorable Senator Mark O. Hatfield
United States Senate
Washington, DC 20510

Dear Senator Hatfield:

I am writing this letter to voice my concerns regarding the enforcement and implementation of Section 19 of the 1992 Cable Act by the Federal Communications Commission.

Casco Communications is a cooperative, owned by two rural electric utilities and one rural telephone utility, which are all locally owned utilities serving eight counties in Oregon. As a distributor of DBS and C-band satellite television programming to these rural areas, equal access to cable and broadcast programming at fair rates - which we are not currently receiving - is essential for Casco Communications to be competitive in our local marketplace.

The attached letter I sent to FCC Chairman Reed Hundt spells out my concerns on this issue.

I believed that Congress had guaranteed equal access to cable and broadcast programming for all distributors with the passage of the 1992 Cable Act. Despite this fact, however, satellite distributors and consumers continue to be treated unfairly by the cable industry. This seriously impacts those rural Oregonians who do not have access to cable television; and deserve the same quality and variety of television informational and entertainment program as those with access to cable. We believe they also deserve to receive this programming from a local service provider, just as cable customers do now.

Some programmers continue to charge unfairly high rates for satellite distributors compared with cable rates. Other programmers - like Time Warner and Viacom - have simply refused to sell programming to some distributors. These exclusive practices hurt rural consumers and thwart the effective competition required by Section 19 of the Cable Act.

I would greatly appreciate your assistance on behalf of rural consumers in the Oregon counties of Lincoln, Linn, Lane and Benton in encouraging the FCC to correct this inequity.

Sincerely,

LeeEllen Brown
General Manager



CASCO COMMUNICATIONS
PO Box 855 Philomath OR 97370 929-4000

Blachly-Lane County
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Association
90680 Highway 99
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1304 Main Street
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Philomath, OR 97370
929-3135

July 25, 1994

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, NW, Rm. 814
Washington, DC 20554

Subject: Cable Competition Report
CS Docket No. 94-48

Dear Chairman Hundt:

As a cooperative formed by two rural electric and one rural telephone provider, and as a member of the National Rural Telecommunications Cooperative (NRTC), Casco Communications is a distributor of Rural TV for C-band systems and the DIRECTVtm direct broadcast satellite (DBS) television service. As such, my company is directly involved in bringing satellite television to rural consumers.

This letter is to voice my support of the Comments of the NRTC in the matter of Implementation of Section 19 of the Cable Television Consumers Protection and Competition in the Market for the Delivery of Video Programming, CS Docket No. 94-48.

Casco Communications' ability to compete in our local rural marketplace is being hampered by our lack of access to programming owned by Time Warner and Viacom, despite passage of the 1992 Cable Act.

This programming, including some of the most popular cable networks like HBO and Showtime and other premium movie channels is available only to my principal competitor, the United States Satellite Broadcasting Co. (USSB), as a result of an "exclusive" contract signed between USSB and Time Warner/Viacom.

However, none of the programming contracts signed by DIRECTVtm are exclusive in nature, and USSB is free to obtain rights to sell any of the channels available from DIRECTV.

Mr. Hundt, Casco Communications agrees with the NRTC that these exclusive programming contracts do not comply with the intent of the 1992 Cable Act. I believe the Act prohibits any arrangement that prevents any distributor from gaining access to

Trans-Cascades Telephone Co.

**BOX 189
ESTACADA, OREGON 97023
503-630-4202**

Senator Mark O. Hatfield
711 Hart Senate Office Building
Washington, D. C. 20510

RE: Cable Competition Report
CS Docket No. 94-48

July 25, 1994

Dear Senator Hatfield:

I am writing this letter in support of the Comments of the National Rural Telecommunications Cooperative (NRTC) in the matter of Implementation of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992, Annual Assessment of the Status of Competition in the Market for the Delivery of Video Programming, CS Docket No. 94-48.

As a rural telephone member of NRTC and distributor of DIRECTV direct broadcast satellite (DBS) television service, my company is directly involved in bringing satellite television to rural consumers.

However, despite passage of the 1992 Cable Act, my company's ability to compete in our marketplace is being hampered by our lack of access to programming owned by Time Warner and Viacom.

This programming, which includes some of the most popular cable networks such as HBO, Showtime, Cinemax, MTV, Nickelodeon, and others is only available to my principal competitor, United States Broadcasting Co. (USSB), as a result of an "exclusive" contract signed between USSB and Time Warner/Viacom. The programming contracts signed by DIRECTV are not exclusive in nature. USSB is free to obtain distribution rights for any of the channels available on DIRECTV.

My organization agrees with the NRTC that these exclusive programming contracts run counter to the intent of the 1992 Cable Act. It prevents distributors from gaining access to serve non-cabled rural areas. The unavailability of Time Warner/Viacom products to DIRECTV subscribers hinders effective competition. The requirement to purchase a second subscription with USSB keep the prices unnecessarily high for consumers.

Not having access to Time Warner/Viacom services has harmed my ability to compete against other sources for television in my area. Potential customers have shied away because HBO and Showtime was not available.

I strongly believe that the 1992 Cable Act prohibits any exclusive arrangement that prevent any distributor from gaining access to cable programming to serve non-cabled rural areas. That is why we supported the Tauzin Amendment, embodied in Section 19 of the Act.

We ask the FCC to remedy these problems so that the effective competition requirements of Section 19 become a reality in rural America.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Milliken', with a long horizontal flourish extending to the right.

Robert G. Milliken
Chief Engineer/Manager
Trans-Cascades Telephone Co.